No. 17-571

IN THE
Supreme Court of the United States

FOURTH ESTATE PUBLIC BENEFIT CORPORATION,
Petitioner,

v.

WALL-STREET.COM, LLC AND JERROLD D. BURDEN,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Eleventh Circuit

REPLY BRIEF FOR PETITIONER

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RULE 29.6 STATEMENT

Pursuant to this Court's Rule 29.6, petitioner Fourth Estate Public Benefit Corporation states that it is a public benefit corporation that has not issued any stock.

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2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* (2013).....3, 5, 9

Respondents concede that the Eleventh Circuit "has entered a decision in conflict with the decision of another United States court of appeals," Sup. Ct. R. 10(a), with respect to the meaning of the phrase "registration . . . has been made" in § 411(a) of the Copyright Act, 17 U.S.C. § 411(a). They do not contend that this conflict will be resolved absent this Court's review, nor do they deny that the question is cleanly presented in this case. Instead, they devote most of their brief to defending the Eleventh Circuit's rule. But arguments that the decision below is correct do not lessen the need for review. If respondents are right, the rule in two regional circuits – including the largest – permits copyright infringement actions to proceed in violation of the statute. That is reason enough to grant the petition.

Respondents argue that the importance of the question presented is modest, and, viewing the importance of the case through the lens of any particular infringement action, that will often (though not always) be true. But this procedural issue is presented at the threshold of virtually every copyright infringement action. Uncertainty over this question – which eight regional circuits have yet to resolve – invites needless litigation. Once this Court resolves the question, litigants will be able to abide by the rule, but, as long as the question remains unresolved, there is the prospect of needless delay and litigation – and, at least in the Tenth and Eleventh Circuits, the needless expenditure of funds to avoid protracted administrative delay.

Respondents' merits position echoes the key flaw of the decision below: it reads the word "registration" in isolation from its context. Consistent with common usage, Congress used the word "registration" in the Copyright Act in different ways. Sometimes it refers

to the action of the Copyright Office. Other times – particularly when used in the construction "make registration" – it refers to the actions of the copyright holder. Its use in § 411(a) falls in the latter category. And for good reason: barring a copyright owner from enforcing a copyright until after the Copyright Office disposes of the application pointlessly delays an action that will proceed regardless of whether the Copyright Office grants or refuses registration. The requirement of § 411(a) – as the plain language of the statute makes clear – is to ensure that copyright holders make registration before filing suit, not to ensure that the Copyright Office grants it.

The Court should grant the petition and reverse the judgment of the Eleventh Circuit.

ARGUMENT

I. THE QUESTION PRESENTED MERITS REVIEW

Respondents concede that the question presented has split the lower courts. Opp. 2; *see also* Pet. 9-15. The Court should resolve that conflict and do so in this case.

Respondents do not contend that permitting additional courts of appeals to weigh in on the question presented would yield either new arguments or resolution without this Court's review. It would not. The issue is narrow, yet the split has only deepened over time. Nor do respondents identify any reason this Court cannot resolve this confusion in this case. None exists.[1]

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[1] After the petition was filed, counsel for the Copyright Office provided counsel for petitioner with an unsigned draft of a letter (dated August 4, 2017) rejecting petitioner's application for registration. Assuming that petitioner's application has now

Respondents' position that the split is not important enough to warrant resolution is undermined by their extended focus on the merits. *See* Opp. 9-21. On their telling, the courts that have adopted petitioner's rule are in conflict with the Copyright Act's plain text, disregarding copyright defendants' rights and undermining the Copyright Office's role as gatekeeper to the courts. Respondents misread the statute, but, if they were right, those would be reasons to grant review, not to deny it.

Further, like the court below, *see* App. 8a, respondents admit their rule's consequence if the Copyright Office fails to process an application promptly: the copyright owner can lose damages or, in the worst case, an entire claim. Opp. 6-7; *see also* 2 Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* § 7.16[B][3][b][iii] (2013) (respondents' rule "may indeed occasion complete inability to recover damages") (footnote omitted). They never dispute that their rule can preclude preliminary injunctive relief – a vital remedy for many copyright owners. *See Cosmetic Ideas, Inc. v. IAC/Interactivecorp*, 606 F.3d 612, 620 (9th Cir. 2010); 2 *Nimmer on Copyright* § 7.16 n.214 ("in some cases, a preliminary injunction is of the essence," and the rule respondents endorse "could effectively squelch that remedy, too"). Nor do respondents deny that, even where the owner does not lose a remedy, their rule may require the copyright holder to re-file the same infringement action after the Copyright Office has acted, burdening both parties and courts with duplicative litigation.

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been acted on, that does not moot the controversy in this case, which depends on whether the allegations of the complaint – that petitioner had made the deposit, application, and fee required for registration – satisfy § 411(a).

The question presented does not become unimportant because a copyright owner can expedite an application by paying the Copyright Office an $800 "special handling" fee. Opp. 7-8. At the outset, when a copyright holder seeks relief for infringement of multiple works, all requiring separate registration, the cost of expediting the administrative process may easily amount to many thousands of dollars. To be sure, the special handling fee will usually be smaller than the expected costs of copyright litigation (though not always: a prevailing copyright owner may recover attorney's fees, 17 U.S.C. § 505). But the observation that litigation is expensive is not a reason to ignore a rule that makes it more expensive still.

No other source of law respondents identify fully mitigates these harms. True, the Copyright Act qualifies the registration requirement in certain cases. *See* 17 U.S.C. § 411(c) (live broadcasts); *id.* § 408(f) (preregistration for certain works prepared for commercial distribution). But those provisions do nothing to help the many copyright owners that, like petitioner, do not fall within their protections. Similarly, respondents observe that, "in a case involving ongoing (rather than separate) violations that began more than three years previously," the rule they endorse would not deprive a copyright owner of a claim, but merely move the damages period. Opp. 7 (citing *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962, 1969 n.6 (2014)). But, as respondents concede (*id.*), reducing a copyright holder's recovery is "a legitimate concern" in its own right, and one for which respondents have no answer.[2]

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[2] Respondents (at 2, 6) selectively quote part of Professor Nimmer's aside that, "[i]n some sense," this conflict is a

In all events, assuming that a copyright holder may usually be able to avoid the worst consequences of delay by the Copyright Office, the uncertainty engendered by the current division of authority affects countless cases in which this issue is implicated. The rule adopted by the court of appeals would require many copyright holders either to delay suit or to incur hundreds if not thousands of dollars in fees to expedite the administrative process. In the majority of circuits where the rule is unsettled, parties may needlessly litigate over the issue, as they have done in this case. The systemic cost is substantial, and the issue is important for that reason.

II. THE ELEVENTH CIRCUIT'S JUDGMENT IS INCORRECT

1. Respondents insist that the term "registration," whenever it is used in the Copyright Act, must refer to the action of the Register of Copyrights under § 410(a) – that is, issuing a certificate of registration. Accordingly, they argue, the phrase "registration . . . has been made" in § 411(a) must mean that the Copyright Office has registered the work. But the argument that "registration" always implies action by the Register cannot be squared with the statutory text.

Section 411(c) – with which respondents grapple unsuccessfully for three pages of their brief – most

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"tempest in a teapot" because "plaintiffs could always avoid dismissal of their case by filing a new application for registration with the Copyright Office on an expedited basis." 2 *Nimmer on Copyright* § 7.16[B][3][b][v]. In the same paragraph, however, he goes on to catalog the problems with that solution: it requires "payment of a stiff charge" and the potential "loss of vital remedies," which might "render[] [the copyright owner's] suit pointless." *Id.*

clearly demonstrates respondents' error.[3] That provision allows a copyright owner to institute an action for infringement of certain types of works so long as "the *copyright owner* . . . makes registration for the work[s]" within three months of instituting suit. 17 U.S.C. § 411(c)(2) (emphasis added). That provision thus makes explicit *who* "makes registration": the "copyright owner." It is thus natural to read the parallel construction in § 411(a) – "registration . . . has been made" – likewise to refer to the action of the copyright owner.

Respondents assert that § 411(c) actually "require[s] the *Register*" – not the copyright owner – "to have acted" within three months. Opp. 13 (emphasis added). But the language of the provision is to the contrary. It permits a copyright owner to seek injunctive relief so long as *the copyright owner* takes action – that is, makes registration – within the prescribed time. The provision does not require the copyright owner to have *obtained* a certificate of registration, nor does it refer to any action of the Copyright Office. Section 411(c)'s requirement to make registration is a

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[3] Respondents do not even address the other provisions of the statute that similarly use "make registration" or a variant to refer to the actions of the copyright holder. *See* 17 U.S.C. § 408(c)(3) ("a single renewal registration may be made for a group of works by the same individual author . . . upon the filing of a single application and fee"); *id.* § 412 ("[N]o award of statutory damages or of attorney's fees . . . shall be made for . . . any infringement of copyright commenced after first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work."); Pet. 20-21.

procedural obligation placed on the copyright owner; the same is true of § 411(a).[4]

Section 411(b) does not support a different result. It clarifies that (with narrow exceptions) a copyright owner may rely on a certificate of registration even if it contains inaccurate information. But the fact that an inaccurate certificate is not disqualifying does not suggest that *every* infringement plaintiff will be able to provide a certificate of registration – on the contrary, all agree that in some cases (for example, when registration has been refused) the copyright owner will not have such a certificate. Likewise, in those cases where a copyright owner has made registration but has not yet received a certificate, § 411(b) will not apply – but that does not render it superfluous.

Contrary to respondents' argument (at 10), petitioner's interpretation of § 411(a) is in no tension with § 410(d), which establishes the effective date of registration. As respondents acknowledge, petitioner does not contend that registration *cannot* refer to the action of the Copyright Office. By the same token, there is no linguistic reason that the "effective date of a copyright registration" – which affects the rights and remedies of infringers – could not be the date on which a certificate of registration is issued. But the statute makes clear that the effective date is instead the date on which the "application, deposit, and fee"

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[4] Respondents have no answer to the argument that their reading creates a contradiction between the first and second sentences of § 411(a). *See* Pet. 18-19. Nor does § 411(a)'s second sentence suggest that a copyright owner must obtain a certificate of registration to sue under § 411(a)'s first sentence – rather, it clarifies that, if a copyright owner whose application is rejected initiates suit, the copyright owner must notify the Copyright Office.

are received, 17 U.S.C. § 410(d) – that is, the date on which the copyright owner makes registration, not the date on which the Copyright Office registers the claim.

Section 408(f)(3) – which speaks to works that a copyright owner, anticipating commercial distribution, preregisters while they were unpublished, *see id.* § 408(f)(1) – does not, as respondents suggest (at 15), show that Congress distinguished "making registration" from "applying for" registration. Indeed, the latter phrase does not appear in § 408. The statute provides that, "[n]ot later than 3 months after the first publication of a work preregistered under this subsection, the applicant shall submit to the Copyright Office" the same three things she would have to submit to register any other claim: "an application for registration of the work," "a deposit," and "the applicable fee." 17 U.S.C. § 408(f)(3)(A-C). By taking these actions, the copyright owner makes registration of the work – as § 411(c) and other provisions make clear.

2. Respondents do not seriously dispute that petitioner's reading is more consistent, as well, with the Copyright Act's remedial scheme. Again (and unlike the patent laws), the Act grants copyright owners exclusive rights in their works from the moment of fixation. *See* 17 U.S.C. §§ 102(a), 106; H.R. Rep. No. 94-1476, at 129 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5745. And, regardless of whether the Register of Copyrights accepts or refuses registration, the copyright owner still has the right to sue and enforce those rights. To be sure, the registration requirement encourages registration, with related public benefits (for example, adding the work to the collection of the Library of Congress).

See Opp. 16; *accord* Pet. 23. "But" – again – "once the copyright owner has made registration, that policy is fully vindicated." Pet. 23. Respondents never explain why the "legal limbo" their approach creates is necessary to further that policy. Opp. 18 n.9.

Nor is respondents' rule required to secure the Copyright Office's expertise in the unusual case that calls for it. *Cf.* Opp. 17. Instead, in an appropriate case, the court can invite the Office to act on an application before litigation proceeds. *See* Pet. 25-26. That is the point of Professor Nimmer's "harmonized solution," which respondents misunderstand (at 18 n.9) to conflict with petitioner's reading. Under his approach, cases filed after the owner submits a completed application but before the Office acts on that application should generally proceed on the merits. But, in the rare dispute that turns on copyrightability, the court should stay proceedings pending the Office's action. *See* 2 *Nimmer on Copyright* § 7.16[B][3][b][vi]. As to the question presented, Professor Nimmer rejects respondents' rule and endorses petitioner's, and for the same reasons: respondents' rule conflicts with the Copyright Act's text, structure, and purpose. *See id.* § 7.16[B][3][b][ii].

3. Section 411(a)'s legislative history likewise offers respondents little support. On the contrary, the 1976 Act's legislative history confirms that the term "registration" can, in context, refer to the copyright owner's actions – not the Copyright Office's. *See* H.R. Rep. No. 94-1476, at 157, 1976 U.S.C.C.A.N. 5773 ("[A] copyright owner who has not registered his claim can have a valid cause of action against someone who has infringed his copyright, but he

cannot enforce his rights in the courts until *he* has made registration.") (emphasis added); *id.* at 152, 1976 U.S.C.C.A.N. 5768 ("Under section 408(a), registration of a claim to copyright in any work, whether published or unpublished, can be made voluntarily by '*the owner of copyright* or of any exclusive right in the work' at any time during the copyright term.") (emphasis added); *accord* Opp. 19 ("'[A] copyright owner who has not registered his claim cannot enforce his rights in the courts.'") (quoting H.R. Rep. No. 94-1476, at 157, 1976 U.S.C.C.A.N. 5773) (alteration omitted).

Respondents cite discussions from early in the unusually lengthy history of the 1976 Act, but statements in committee materials from 1958,[5] 1959,[6] and 1961[7] are hardly dispositive of the meaning of the words Congress adopted more than a decade later. For similar reasons, the post-1976 Act legislative history on which respondents rely is also inapt. To start, "[p]ost-enactment legislative history (a contradiction in terms) is not a legitimate

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[5] *See Copyright Law Revision: Studies Prepared for the Subcomm. on Patents, Trademarks, and Copyrights of the S. Comm. on the Judiciary; Study No. 17 – The Registration of Copyright*, 86th Cong. 65 (Comm. Print 1960), *available at* https://www.copyright.gov/history/studies/.

[6] *See Copyright Law Revision: Studies Prepared for the Subcomm. on Patents, Trademarks, and Copyrights of the S. Comm. on the Judiciary; Study No. 18 – Authority of the Register of Copyrights To Reject Applications for Registration*, 86th Cong. 89 (Comm. Print 1960), *available at* https://www.copyright.gov/history/studies/.

[7] *See Copyright Law Revision: Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law*, 87th Cong. 75 (Comm. Print 1961), *available at* https://www.copyright.gov/history/1961_registers_report.pdf.

tool of statutory interpretation." *Bruesewitz v. Wyeth LLC*, 562 U.S. 223, 242 (2011). Moreover, although statements in those materials appear to assume respondents' view of § 411(a),[8] they ignore contrary circuit-level authority. *See Lakedreams v. Taylor*, 932 F.2d 1103, 1108 (5th Cir. 1991); *Apple Barrel Prods., Inc. v. Beard*, 730 F.2d 384, 386-87 (5th Cir. 1984) (citing then-current version of *Nimmer on Copyright*). A post-enactment gloss in a committee report provides no basis to ignore the text of the statute.

CONCLUSION

The petition for a writ of certiorari should be granted.

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[8] *See, e.g.*, H.R. Rep. No. 103-388, at 9-11 (1993) (speaking of a "requirement that a registration or refusal to register be obtained from the Copyright Office before an action for infringement be obtained").

Respectfully submitted,

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